



# NEWS

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## FOR IMMEDIATE RELEASE

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### **Taxpayer compliance improves to 97.8 percent of taxes due**

**OLYMPIA, Wash.**, Dec. 22, 2004 — Registered businesses pay 97.8 percent of state and local taxes due, slightly more than in earlier years, according to a compliance study released today by the Department of Revenue.

Department researchers analyzed audits conducted between 1999 and 2002 to statistically project that businesses paid all but \$182.6 million of \$8.4 billion due in calendar year 2000. Some of that loss is captured through audits and other enforcement measures.

The 2.2 percent noncompliance rate is down from a 2.5 percent noncompliance rate found in a 2003 study and a 2.8 percent noncompliance rate cited a 1996 study.

Department Director Will Rice attributed the high level of compliance to effective taxpayer education and enforcement coupled with willingness by most businesses to pay their fair share.

"It's remarkable that compliance is so high and has edged up over the last eight years despite a huge increase in the number of businesses operating in Washington," Rice said.

The study identified some problem areas, among them a continuing high rate of use tax noncompliance, relatively high rates of noncompliance by the finance, real estate, transportation and utility industries, and less compliance by newer, smaller firms than by older, larger firms.

The full study is available at  
[http://dor.wa.gov/Docs/Reports/Compliance\\_Study/compliance\\_study\\_2005.pdf](http://dor.wa.gov/Docs/Reports/Compliance_Study/compliance_study_2005.pdf).

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